



ARLINGTON FINANCE COMMITTEE
MINUTES OF MEETING
O'NEILL ROOM
7:30 PM 3/27/17

ATTENDEES:

Deyst*	White*	Caccavaro*	Kellar*	McKenna*
DeCoursey*	Wallach*	Harmer*	Gibian*	
Tosti*	Foskett*	Bayer*	Duvadie	
Russell*	Beck*	Jones*	Deshler*	
Franclemont*	Howard*	Fanning*	Carman*	Diggins*

*Indicates present

MINUTES of 3/22/17 Approved as corrected. Unanimous

ART 47 MISCELLANEOUS: This article reconsidered to insert the correct indemnification for retired police & fire officers.

VOTED \$11,361 Unanimous

STM ART 5 TRANSFER OF SPED FUNDS: The bookkeeping on this fund has been straightened out. The APS no longer needs this fund. They will set up an independent fund for this purpose.

VOTED to transfer \$335,795 to the APS and to close this account. Unanimous.

BUDGETS Note that all votes include the offsets.

INFORMATION TECH: Finances SubCom Foskett recommended the budget as printed. He said the MUNIS upgrade is going OK. The telephone system is out for bid. The upgrade will be delayed until after the MUNIS upgrade is completed. The new MUNIS software will cost more for annual maintenance.

VOTED \$842,036 Unanimous

COMPTROLLER: Finances SubCom Foskett recommended the budget as printed. The chart of accounts will not be upgraded until MUNIS is stable.

VOTED \$424,179 Unanimous

NOTE: Treasurer Candidate Carman left the room during the discussion and vote on this and the next 2 budgets.

TREASURER: Finances SubCom Beck recommended a revised budget to account for the retirement of the present treasurer and corresponding reduction in longevity..

VOTED \$684,765 Unanimous

POSTAGE: Finances SubCom Beck recommended the budget as printed.

VOTED \$174,137 Unanimous

PARKING: Finances SubCom Beck recommended the budget as printed.

VOTED \$132,775 Unanimous

HUMAN RESOURCES: Per SubCom White recommended the budget as printed.

VOTED \$317,038 Unanimous

RETIREMENT: Per SubCom White recommended a budget revised to account for the reduction in the non-contrib amount. She reported that the fund is 51% funded. At the present rate it will be fully funded in 2024.

VOTED \$10,141,735 Unanimous

HEALTH & HUMAN SERVICES: HumSer SubCom Franclemont recommended the budget as printed. She noted the several staff changes and the new cost of renting the offices in the Senior Cntr.

VOTED \$475,591 Unanimous

COA: HumSer SubCom Franclemont provided a revised budget book page (Ref 1). The department has doubled the hours (tp .8 FTE), The half time receptionist was previously paid from a revolving fund. One objective of these changes is to avoid 911 calls.

VOTED \$274,253 Unanimous.

W&S EF: W&S SubCom Gibian walked the committee through a revised set of budget pages (Ref 2) and a summary (Ref 3) of all the offsets provided by this EF. He will follow up w/ Pooler on the use of retained earnings. The fund balance is \$7,188,477.

VOTED: \$20,765,848 expenses & revenues. Unanimous

COMMITTEE: FinCom applauded and thanked Dean Carman for his contributions as he leaves when elected Treasurer. Next mtg 4/12/17

RESERVE FUND Balance: \$1,465,000 - \$10,569 (Town Clerk election expense voted last fall) = \$1,454,431

Peter Howard 3/28/17 Revised 3/30/17, 4/2/17

Ref 1 COA Budget (Revised)

Ref 2 W&S EF Budget (Revised)

Ref 3 W&S Offsets & Indirect Charges for FY 2018

	2015 Actual	2016 Actual	2017 Budget	2018 Request	\$ Change	% Change
0154181 COUNCIL ON AGING SALARIES						
5100 SALARIES & WAGES	194,724	203,755	210,330	237,553	27,223	12.94%
5101 SALARIES & WAGES PART-TIME				14,500	14,500	
5156 LONGEVITY	1,400	1,400	1,400	1,200	(200)	-14.29%
5199 SALARY INCREASE						
0154181 COUNCIL ON AGING SALARIES	196,124	205,155	211,730	253,253	41,523	19.61%
0154182 COUNCIL ON AGING EXPENSES						
5208 RENTAL OF BUILDINGS				16,500	16,500	0.00%
5209 IN-STATE TRAVEL	1,279	1,513	1,400	1,400	-	0.00%
5223 OFFICE SUPPLIES	2,157	1,764	2,300	2,300	-	0.00%
5228 PRINTING	-	-	500	500	-	0.00%
5260 CLEAN/CLOTH/TRAIN	300	300	300	300	-	0.00%
5299 RECEPTION SUPPORT	674	9,512	9,500	-	(9,500)	-100.00%
0154182 COUNCIL ON AGING EXPENSES	4,410	13,088	14,000	21,000	7,000	50.00%
COUNCIL ON AGING TOTAL	200,534	218,244	225,730	274,253	48,523	21.50%

fewer 911 calls

NO change in number paid

	2015 Actual	2016 Budget	2017 Budget	2018 Request	\$ Change	% Change
6505006 SEWER COLLECTION SYSTEM						
5101 SALARIES & WAGES	500,192	522,857	502,688	508,111	5,423	1.08%
SUBTOTAL SEWER COLLECTION SYSTEM	500,192	522,857	502,688	508,111	5,423	1.08%
6505013 INDIRECT CHARGES - SEWER						
5701 WORKERS COMP COST	6,000	6,000	6,000	6,000	-	0.00%
5702 UNEMPLOYMENT COMPENSATION	1,500	1,500	1,500	1,500	-	0.00%
5707 RETIREMENT COSTS	507,479	535,390	552,445	590,885	38,440	6.96%
5713 HEALTH BENEFITS	276,459	282,378	287,801	280,988	(6,813)	-2.37%
5903 INDIRECT COSTS	273,622	295,319	299,390	324,793	25,403	8.48%
6505013 SUBTOTAL INDIRECT CHARGES - SEWER	1,065,060	1,120,587	1,147,136	1,204,166	57,030	4.97%
6505082 SEWER COLLECTION EXPENSES						
5202 MAINTENANCE	70,000	70,000	70,000	70,000	-	0.00%
5211 ENERGY	29,000	29,000	29,000	29,000	-	0.00%
5218 TRAINING	2,000	2,000	2,000	2,000	-	0.00%
5224 OTHER SUPPLIES	24,000	24,000	24,000	24,000	-	0.00%
6505082 SUBTOTAL SEWER COLLECTION	125,000	125,000	125,000	125,000	-	0.00%
6505011 MWRA ASSESSMENT - SEWER						
5630 MWRA ASSESSMENT	8,006,000	7,997,138	8,007,249	8,368,475	361,226	4.51%
6505011 SUBTOTAL MWRA ASSESSMENT - SEWER	8,006,000	7,997,138	8,007,249	8,368,475	361,226	4.51%
6505002 SEWER DEBT SERVICE/SEWER CAPITAL						
5760 SEWER DEBT SERVICE - NON MWRA P & I	341,763	406,818	397,069	280,506	(116,563)	-29.36%
5760 SEWER DEBT SERVICE - MWRA LOAN PROGRAM	156,640	130,416	124,616	124,200	(416)	-0.33%
5580 SEWER REHAB	500,000	100,000	100,000	100,000	-	0.00%
5580 REHAB WATER MAINS	-	-	-	-	-	-
6505002 SUBTOTAL DEBT SERVICE/SEWER CAPITAL	998,403	637,234	621,685	504,706	(116,979)	-18.82%
TOTAL SEWER COLLECTION SYSTEM						

new rep -> new location

484 replace

	2015 Actual	2016 Budget	2017 Budget	2018 Request	\$ Change	% Change
6505007 STORM SEWERS COLLECTION SYSTEM						
5202 MAINTENANCE	71,000	71,000	71,000	71,000	-	0.00%
5224 OTHER SUPPLIES	5,000	5,000	5,000	5,000	-	0.00%
5580 REHAB STORM SEWERS	150,000	150,000	150,000	200,000	50,000	33.33%
6505007 TOTAL STORM SEWERS COLLECTION	226,000	226,000	226,000	276,000	50,000	22.12%

*new storm
sewers*

	2015 Actual	2016 Budget	2017 Budget	2018 Request	\$ Change	% Change
6505502 WATER DISTRIBUTION SYSTEM						
5101 SALARIES & WAGES	867,642	852,829	881,674	960,036	78,362	8.89%
5102 SALARIES & WAGES TEMP	18,750	18,750	18,750	18,750	-	0.00%
5103 OVERTIME	110,456	113,217	116,050	150,000	33,950	29.25%
5111 DOUBLE TIME	33,137	33,965	34,815	50,000	15,185	43.62%
5119 OUT OF GRADE PAY	2,209	2,264	2,320	2,333	13	0.56%
5156 LONGEVITY	7,353	7,853	7,456	9,106	1,650	22.13%
5199 SALARY INCREASE		21,733			-	-
5260 CLEANING, CLOTHING, TRAINING	20,800	20,800	20,800	20,800	-	0.00%
6505502 SUBTOTAL WATER DISTRIBUTION	1,060,347	1,071,412	1,081,865	1,211,025	129,160	11.94%
6505513 INDIRECT CHARGES - WATER						
5701 WORKERS COMP COST	1,000	1,000	1,000	1,000	-	0.00%
5702 UNEMPLOYMENT COMPENSATION	1,000	1,000	1,000	1,000	-	0.00%
5707 RETIREMENT COSTS	507,479	535,390	552,445	590,885	38,440	6.96%
5713 HEALTH BENEFITS	276,459	282,378	287,801	280,988	(6,813)	-2.37%
5903 INDIRECT COSTS	273,622	295,319	299,390	324,793	25,403	8.48%
6505513 SUBTOTAL INDIRECT CHARGES - WATER	1,059,560	1,115,087	1,141,636	1,198,666	57,030	5.00%
6505582 WATER DISTRIBUTION						
5202 MAINTENANCE	110,000	110,000	110,000	120,000	10,000	9.09%
5218 TRAINING	5,000	5,000	5,000	5,000	-	0.00%
5224 OTHER SUPPLIES	220,000	225,500	225,500	225,500	-	0.00%
5241 UNIFORMS, BADGES, & GLOVES	5,600	4,400	4,400	5,600	1,200	27.27%
5260 CLEANING, CLOTHING, TRAINING	300	300	300	300	-	0.00%
5299 OTHERWISE UNCLASSIFIED					-	-
6505582 SUBTOTAL WATER DISTRIBUTION	340,900	345,200	345,200	356,400	11,200	3.24%
6505511 MWRA ASSESSMENT - WATER						
5630 MWRA ASSESSMENT	4,713,200	4,715,211	4,890,344	5,239,376	349,032	7.14%
6505511 SUBTOTAL MWRA ASSESSMENT - WATER	4,713,200	4,715,211	4,890,344	5,239,376	349,032	7.14%
TOTAL WATER DISTRIBUTION SYSTEM						

	2015 Actual	2016 Budget	2017 Budget	2018 Request	\$ Change	% Change
6505504 WATER/SEWER PROPERTIES						
5101 SALARIES & WAGES	500,192	522,857	502,688	508,111	5,423	1.08%
5211 ENERGY	28,600	28,600	28,600	28,600	-	0.00%
5214 HEATING FUEL	35,000	35,000	35,000	35,000	-	0.00%
5530 GREAT MEADOWS EXPENSES	4,000	4,000	4,000	4,000	-	0.00%
6505504 SUBTOTAL WATER/SEWER PROPERTIES	567,792	590,457	570,288	575,711	5,423	0.95%
6505506 REHAB WATER SYSTEM CAPITAL						
5580 REHAB WATER MAINS	100,000	100,000	100,000	100,000	-	0.00%
6505506 SUBTOTAL REHAB WATER SYSTEM CAPITAL	100,000	100,000	100,000	100,000	-	0.00%
6505509 WATER DEBT SERVICE DEBT/WATER						
5760 WATER DEBT SERVICE - MWRA LOAN PROGRAM	664,900	669,900	666,100	666,100	-	0.00%
5760 WATER DEBT SERVICE - PRINCIPAL & INTEREST	250,875	416,525	379,150	177,112	(202,038)	-53.29%
6505509 SUBTOTAL DEBT SERVICE/CAPITAL PROJECTS	915,775	1,086,425	1,045,250	843,212	(202,038)	-19.33%
6505517 WATER MAINT CAPITAL OUTLAY						
5850 WATER CAPITAL OUTLAY	-	78,000	-	-	-	-
5851 CAPITAL EQUIP	40,000	42,500	65,000	150,000	85,000	130.77%
5890 SMALL EQUIPMENT	-	5,000	5,000	5,000	-	0.00%
5830 HYDRANT & VALVE REPLACEMENT PROGRAM	100,000	100,000	100,000	100,000	-	0.00%
6505517 SUBTOTAL WATER MAINT CAPITAL OUTLAY	140,000	225,500	170,000	255,000	85,000	50.00%
TOTAL WATER DISTRIBUTION SYSTEM						
PERSONNEL SERVICE SUMMARY						
EXPENSES SUMMARY	2,060,731	2,117,126	2,087,241	2,227,247	140,006	6.71%
MWRA ASSESSMENT	759,500	763,800	763,800	825,000	61,200	8.01%
INDIRECT CHARGES	12,719,200	12,712,349	12,897,593	13,607,851	710,258	5.51%
CAPITAL AND DEBT	547,244	590,638	598,780	649,586	50,806	8.48%
HEALTH INSURANCE	2,154,178	2,049,159	1,936,935	1,702,918	(234,017)	-12.08%
RETIREMENT	552,918	564,756	575,602	561,976	(13,626)	-2.37%
WORKERS COMP/UNEMPLOYMENT	1,014,958	1,070,781	1,104,890	1,181,770	76,880	6.96%
TOTAL EXPENSES	19,818,229	19,878,109	19,974,341	20,765,848	791,507	3.96%
TOTAL REVENUES						
BALANCE	(19,868,449)	(19,868,449)	(19,974,341)	(20,765,848)	(791,507)	3.96%
	(50,220)	9,660	-	-	-	-

	2015 Actual	2016 Budget	2017 Budget	2018 Request	\$ Change	% Change
WATER/SEWER ENTERPRISE						
4972 TRANSFER FROM GENERAL FUND	(5,593,112)	(5,593,112)	(5,593,112)	(5,593,112)	-	0.00%
421000 USER CHARGES RECEIVABLE	(13,954,027)	(13,954,027)	(13,954,027)	(14,612,125)	(658,098)	4.72%
421100 WATER LIENS	(189,945)	(189,945)	(189,945)	(183,039)	6,906	-3.64%
421900 INTEREST & PENALTIES	(48,337)	(48,337)	(48,337)	(58,152)	(9,815)	20.31%
422900 CONNECTION FEES	(83,028)	(83,028)	(83,028)	(104,868)	(21,840)	26.30%
USE OF RETAINED EARNINGS			(105,892)	(214,552)	(108,660)	102.61%
TOTAL WATER/SEWER REVENUE	(19,868,449)	(19,868,449)	(19,974,341)	(20,765,848)	(791,507)	3.96%

5 to
 6/15/2018
 4/15/2018

7100
 477

7/10/2018

Water and Sewer Offsets and Indirect Charges for Fiscal 2018

The Water and Sewer Enterprise Fund offsets apply to 4 non-Water & Sewer DPW divisions and 8 non-DPW departments

The Water & Sewer offsets are applied to offset the overhead, health insurance, and retirement costs of 4 indirect (non-W&S) DPW divisions, and 8 non-DPW town departments. The offset amounts are split 50% Water and 50% Sewer.

DPW overhead:

Account 5101: Salaries and Wages

6505006 SEWER COLLECTION SYSTEM				
5101 SALARIES & WAGES (p184)	500,192	522,857	502,688	\$508,111 (5,423)
6505504 WATER/SEWER PROPERTIES				
5101 SALARIES & WAGES (p187)	500,192	522,857	502,688	\$508,111 (5,423)
Total: \$				<u>\$1,016,222</u>

This amount is applied to these DPW divisions (the amount appears on the budget book page number provided):

Engineering	\$213,151	p101
DPW Admin (also includes 15K of Rec Rev Fund: \$235,576 + \$15,000)	\$249,576	p105
Highway	\$402,358	p109
Motor Equip Repair	<u>\$166,137</u>	p115
Total (\$1,016,222 + \$15,000 from Rec Rev Fund)	\$1,031,222	

Workers Comp Cost/Unemployment Compensation

Accounts 5701, 5702

Town admin is currently unable to explain these small amounts on pages 184 and 187 at this time. Sandy Pooler is inquiring of the Comptroller to see how this money is being used and we will re-visit this in October 2017 as the next budget is prepared. The total dollar impact is \$9,500.

Retirement:

Account 5707 Retirement costs

Sewer	\$590,885	p 184
Water	<u>\$590,885</u>	p 187
Total:	\$1,181,770	

This is the offset amount listed on p 173, Retirement.

Health Insurance

Account 5707 Health Benefits

Sewer	\$280,988	p 184
Water	<u>\$280,988</u>	p 187
Total:	\$561,976	

\$561,976 + \$123,313 (the total of the other enterprise funds detailed in attachment A) is \$685,289. This is the revised amount of the offset appearing on p 177, Insurance, and approved by unanimous vote of FinCom.

Overhead Non-DPW Town Departments:

Account 5903 Indirect Costs:

6505013 INDIRECT CHARGES - SEWER				
5903 INDIRECT COSTS (p 184)	273,622	295,319	299,390	324,793
6505513 INDIRECT CHARGES - WATER				
5903 INDIRECT COSTS (p 187)	273,622	295,319	299,390	324,793
Total				<u>\$ 649,586</u>

This amount is applied to these departments per Att. B (the amounts and associated budget book page number are also provided):

Non- DPW W&S offsets by department \$ Page #

selectmen	(28,446)	p 25
town manager	(147,869)	p 32
HR	(15,806)	p 36
IT	(161,319)	p 40
Controller	(39,097)	p 44
Treasurer	(107,699)	p 48
Postage	(36,691)	p 52
Legal	(112,659)	p 60

Total Non DPW W&S offsets **\$(649,586)**

Attachment A: "Health Insurance Offsets Calculation" FY 2018 (dated 3/10/17)

Attachment B: "W/S Offsets Calculated for Other Support Departments and Other DPW Divisions" (not dated)

3/10/2017

ATT. A.

Health Insurance Offsets Calculation FY 2018

		FY18 Health Cost	Recommended Offset Percent	FY-18 Offset
1)	Board of Selectmen	94,993	16.65%	15,816
2)	Town Manager	45,919	16.65%	7,645
3)	Personnel	28,290	16.65%	4,710
4)	Information Technology	82,264	16.65%	13,696
5)	Comptroller	86,304	16.65%	14,369
6)	Treasurer/Collector	128,670	16.65%	21,422
7)	Legal	61,380	16.65%	10,219
8)	Administration	135,461	50.00%	67,731
9)	Engineering	93,258	62.00%	57,820
10)	Highway (without S.Waste)	383,804	20.00%	76,761
11)	MER	129,836	30.00%	38,951
12)	Water Division	232,835	100.00%	232,835
13)	Total 1) - 12)			561,975
14)	HEALTH Offset - Sewer (50% of #13)			280,988
15)	HEALTH Offset - Water (50% of #13)			280,988
	Water & Sewer Enterprise Subtotal			561,976
Other Insurance Costs charged directly to Enterprise Fund & Retirement Office				
	Recreation	33,836	1.0000	33,836
	Ed Burns Arena	47,438	1.0000	47,438
	Retirement	42,039	1.0000	42,039
	Other Enterprise & Retirement Subtotal			123,313
	Total Health Insurance Offset			685,289

Note: Departmental health insurance costs include current employees and retirees

ATT B

**W/S Offsets Calculated
for Other Support Departments and Other DPW Divisions
FY-18**

Other Town Department Offsets

		FY-17 Voted Budget	Recommended Offset Percent	FY-18 Offset
1)	Postage	212,179	17.29%	36,691
2)	Board of Selectmen	482,982	5.89%	28,446
3)	Town Manager	773,794	19.11%	147,869
4)	Personnel	327,477	4.83%	15,806
5)	Information Technology	890,743	18.11%	161,319
6)	Comptroller	467,476	8.36%	39,097
7)	Treasurer/Collector	775,368	13.89%	107,699
8)	Legal	587,508	19.18%	112,659
9)	Total 1) - 8)			649,586
10)	Sewer Indirect (50% of #8)			324,793
11)	Water Indirect (50% of #8)			324,793

Other DPW Division Offsets

		FY-17 Voted Budget	Recommended Offset Percent	FY-18 Offset
12)	Administration	469,152	50.00%	234,576
13)	Engineering	343,792	62.00%	213,151
14)	Highway (without S.Waste)	2,011,790	20.00%	402,358
15)	MER	553,791	30.00%	166,137
16)	Total 12) - 15)			1,016,222
17)	W/S Sewer Wages Offset (50% of #16)			508,111
	W/S Sewer Wages Offset (50% of #16)			508,111